

**WORLD EXPORT DEVELOPMENT FORUM 2007**  
**Bringing Down the Barriers –**  
**Creating a Dynamic Export Development Agenda**

**Wednesday, 10 October 2007**

**Beyond Politics: Making Trade Support Institutions Effective**

Breakout Series 4: Building Institutional Capacities

Speakers:

Daniel Lederman, Senior Economist, The World Bank, USA  
Abera Deresa, State Minister, Ministry of Agriculture and Rural Development, Federal Democratic Republic of Ethiopia  
Walter Staples, Founder and Principal, Walter Staples International, Canada

Moderator: A. H. Lansink, Managing Director, Centre for the Promotion of Imports from Developing Countries (CBI), The Netherlands

Panellists and participants agreed at the end of the session in a show of hands called by moderator A.H. Lansink that governments should have a dominant role in formulating the policies of trade support institutions (TSIs). But the discussion showed clear consensus also that the private sector should either have an important presence – up to 50% -- on institution boards, or at least be a privileged partner in determining what its activities should be.

In Latin America, said World Bank Senior Economist Daniel Lederman, TSIs are generally underfunded, and often have difficulty in finding political allies. Successful exporters feel they know the markets, while domestic firms are suspicious of any effort to expand imports and resent state money going to institutions that they feel might be working against their interests.

Within governments, finance ministers are generally supporters of liberal economics and do not like to use resources on semi-state agencies that require subsidies.

To overcome this resistance, said Lederman, TSIs should open their doors to rigorous and intelligent evaluation of their work, and the benefit it brings to national economies, by independent analysts.

**Immediate decisions**

Abera Deresa of Ethiopia's Ministry of Agriculture and Rural Development said the government itself directs the country's export drive because it has a better overall view of the national interest. However, the private sector is heavily involved in the determination of policies through consultation and a presence on the board of the trade promotion organisation.

Reform of the body has been undertaken in recent years as the country emerged from a state-controlled economic system because it was shown to be bureaucratic and under-performing. There were previously long delays, often of several months, in approving export licences and certificates. Now such decisions are taken virtually immediately.

Walter Staples, an academic and former Canadian trade diplomat, noted that the current government in Ottawa is looking to end the state monopoly position of the Canadian Wheat Board and similar institutions – another form of TSI— to which farmers have to sell their produce. He suggested that a more valuable form of support for producers could be creation of an online database on trade – a “Tradepedia” on the analogy of the online open encyclopedia Wikipedia – to which all players in national and international trade could contribute.

**Beware the Foreign Ministry**

A Uruguayan participant said one problem for TSIs in some Latin American countries, and perhaps elsewhere in the developing world, is that foreign ministries often aim to take control of

international trade, taking power away from trade support or promotion organizations. A Botswana representative said the TSI in her country is seriously underfunded, to the point where its services are declining in value.

Speaking from the floor, Ricardo Estrada of Ecuador's CORPEI export and investment promotion body says its activities would be much less effective without government support. On the other hand, TSIs can help governments in analysing market intelligence that the state gathers from its foreign diplomatic missions.